STATE OF TENNESSEE
OFFICE OF THE
ATTORNEY GENERAL
404 JAMES ROBERTSON PARKWAY, SUITE 1510
NASHVILLE, TENNESSEE 37243-0500
Phone: (615) 532-9632 Fax: (615) 741-8724

May 1, 1996

Federal Communications Commission
Secretary
Room 222
1919 M. St., NW
Washington, DC 20554

Dear Sir:

On April 25, 1996, the Tennessee Consumer Advocate filed "Comments" in Docket FCC 96-123, CC Docket No. 96-61. On page three (3) of the filing we referred to the "Motion for Reconsideration" filed by the National Association of Attorneys General, CC Docket 94-129, dated August 11, 1995. We would respectfully request that you accept the attached copy of that Motion as our "Addendum" to the Comments which we inadvertently omitted. Thank you for your attention to this matter.

Sincerely,

L. Vincent Williams
L. Vincent Williams
Consumer Advocate

c: Janice Myles, Common Carrier Bureau
International Transcription Services

ADDENDUM
TENNESSEE CONSUMER ADVOCATE
FCC- 96-123
CC DOCKET 96-61

BEFORE THE

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

RECEIVED
MAY 6 1996
FCC MAIL ROOM

****

IN THE MATTER OF)
)
POLICIES AND RULES CONCERNING) CC Docket No. 94-129
UNAUTHORIZED CHANGES OF CONSUMERS')
LONG DISTANCE CARRIERS)

****

MOTION FOR RECONSIDERATION BY THE NATIONAL ASSOCIATION OF ATTORNEYS GENERAL TELECOMMUNICATIONS SUBCOMMITTEE

The Telecommunications Subcommittee of the Consumer Protection Committee of the National Association of Attorneys General and the Attorneys General of Arizona, California, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Mexico, North Carolina, Pennsylvania, Rhode Island, Tennessee, Vermont, West Virginia, and Wisconsin ("Attorneys General") file this Motion for Reconsideration of the Report and Order in the above captioned docket released by the Federal Communications Commission ("FCC or Commission") on June 14, 1995 and publicly noticed in the Federal Register on July 12, 1995. 60 Fed. Reg. 35846-35854 (1995) (hereafter, "Report and Order"). The Report and Order establishes the general form and content required for a letter of authorization ("LOA") as well as certain policies applicable to primary interexchange carrier ("PIC") changes.

Although the Attorneys General applaud the Commission's efforts on its own motion to address the widespread and growing problem of "slamming," reconsideration of the Report and Order is necessary for two reasons. First, in two instances the rule does not reflect what the Report and Order explained were the intended results. Second, facts that have come to light after the comment period closed give dramatic proof that the changes to be implemented do not adequately address the burgeoning problems of misrepresentation, deception and outright theft that are occurring in the switching of consumers' long distance telephone service.

Specifically, the Attorneys General urge the FCC (1) to change the FCC's policy approach to liability for unauthorized switches to eliminate, as a general rule, any liability for consumers if the switching IXC cannot document that the consumer authorized the switch in accordance with the law; (2) to modify section 64.1150 ("LOA Rule") to require that: (a) LOAs to be on a separate document from any promotional material, not just separable by a perforation; (b) combined check/LOAs be prohibited, unless additional safeguards are required; (c) if an LOA is provided in connection with any promotion , all or part of which is in a language other than English, the LOA must also be provided in that other language, and (d) any promotion, in which any inducements to switch long distance service are in a language other than English, must contain a full explanation and make all disclosures in each language used to make the inducements; and (3) to modify section 64.1100(d)(8) to eliminate the negative option in accordance with paragraph 11 of the Report and Order and section 64.1150(f).

I. NEW FACTS SHOW THE NEW POLICY AND LOA RULE WILL BE INADEQUATE TO QUELL WRONGDOERS' LUCRATIVE SLAMMING SCHEMES

In the months since the initial comment period closed on the Commission's Notice of Proposed Rule Making in this matter ("NPRM"), state law enforcement and regulatory agencies have had to devote increasing resources to stop the misleading, deceptive, and fraudulent practices and the outright theft perpetrated by slammers and to attempt to recover some of the millions of dollars those slammers have unlawfully taken from consumers and diverted from legitimate carriers. Most striking is how quickly a slammer can steal millions of dollars by electronically requesting the LECs to switch consumers' long distance service, then charging consumers exorbitant, anti-competitive rates, without ever having obtained any authorization at all from the consumer.

The Sonic Communications, Inc. ("SCI") cases provides an Illustrative example. The Attorneys General of California, Georgia, Illinois, New York and Texas have all sued SCI for its alleged misleading and deceptive practices in switching consumers' long distance service. (Relevant portions of a joint brief filed in SCI's bankruptcy proceeding are attached as Exhibit 1.) In just a few short months, primarily during 1994, these states allege that SCI switched more than 300,000 consumers and collected approximately $13 million. They further allege that SCI charged rates double or triple those charged by competitive carriers. The states allege that when law enforcement agencies acted to stop the unlawful practices, SCI's insiders stripped the company of millions of dollars of assets; then SCI filed for bankruptcy.

The states allege SCI used two methods to switch consumers. Sometimes it allegedly sent out a so-called "long distance rebate" combined $10.00 check/LOA and switched those who endorsed the check. The purported LOA was often hidden <u>below</u> the endorsement line in light grey type or in the place on the front of a check where one might expect the payer's address to be. Often SCI allegedly did not switch the consumer's long distance service until some months after the check was signed, long after consumers forgot they had ever received such a check. Sometimes, SCI allegedly just switched the long distance service of those whose names and telephone numbers it obtained from a data source, without their having signed any check. See also AT&T Comments p. 3, n. 4 (slammed consumers were never contacted by IXC submitting PIC change, or had declined PIC change offer).

SCI is but one example of the slammers overwhelming the resources of state law enforcement and regulatory agencies.

II. FCC POLICY ON CONSUMER LIABILITY

The Report and Order state that the Commissioners "support the policy of allowing unauthorized IXCs to collect from the consumer the amount of toll charges the consumer would have paid if the PIC had never been changed." ¶ 37 (emphasis added). The Commission further noted,

> Some IXCs engaging in slamming may not be deterred unless all revenue gained through slamming is denied them. We will investigate future slamming cases with the question of consumer liability in mind. . . . We expect all unauthorized IXCs to cooperate with consumers in the proper settlement of these charges. Failing this, through the complaint process, we will prohibit unauthorized IXCs from collecting more than the original IXC's rates. However, we recognize that if 'slamming' continues unabated -- perhaps through abuses in areas other than the use of the LOA -- we may have to revisit this question at a later date.

Id.

The Attorneys General's experience in the months since we initially submitted our comment on the NPRM have led us to further examine our position and recognize strong action is needed to deter slamming. Massive and recurring slamming has dramatically increased consumer anger and frustration. The rerating policy is unworkable. Moreover, to reward the wrongdoer by allowing it to receive any benefit from its wrongful actions is contrary to long established equitable principles and would encourage, rather than deter further slamming. Further, the Report and Order cited no evidence indicating that unscrupulous consumers use the claim of being slammed to cheat IXCs. In any event, current Commission orders and rules protect legitimate IXCs from cheaters. Should abuses by consumers develop, the Commission could revisit the question at a later date. While in some cases, an IXC may be able to show circumstances that would support a claim for partial payment, the general presumption should be that the slammed consumer is not liable for any charges for any long distance service provided.

A. Rerating The Charges Of Slammed Consumers Is An Unworkable Remedy

In our experience, the rerating policy proposed in the Report and Order does not work. From consumer complaints and our investigations we have found that when a consumer contacts a slammer to seek a rerating of charges for the switched long distance service, the wrongdoer may initially claim to have a signed document authorizing the switch. The consumer asks for a copy. The document is never sent. After waiting for a while, the consumer again tries to resolve the long distance charges with the slammer. The slammer then claims a computer error caused the problem after all and asks the consumer to provide a past bill from which the slammer can determine the correct charges. Consumers, having been switched without their authorization, are understandably reluctant to provide a bill showing their most frequent long distance calls, probably to their friends and family. If consumers do provide such information, the slammer may delay rerating the calls, not rerate them at all, or offer an arbitrary refund and delay making the adjustment with the billing agency, usually the LEC. Meanwhile, the slammer is taking in more millions of dollars, stripping the company of assets and readying itself to metamorphose into a different company to continue the scam under a new name. The consumer, meanwhile, is being threatened with having his telephone service, both local and long distance, cut off, if his entire bill is not paid to the LEC.

The Commission's complaint handling process was not designed to resolve the continuing deluge of slamming complaints. Neither the Commission, nor state and local consumer protection agencies are equipped to obtain rerated charges for hundreds of thousands of slammed victims. Indeed, by the time the problems have become sufficiently apparent to generate agency action, the slammer may already be switching identities, and the assets with which to provide redress have disappeared. Based on our experience in the SCI cases and numerous other slamming cases, the consumer's prior carrier is also not equipped to provide rerating information to massive numbers of slammed consumers. See also AT&T Comments, pp. 20-21. (rerating not a practical solution).

Alternatively, a policy denying the slammer any financial benefit would promote self-enforcement and provide real deterrence. It could work this way: The consumer reports to the LEC that he was switched without his consent and contacts the slammer for a refund. The LEC suspends the long distance bill. If the slammer cannot provide the LEC within a short but reasonable period of time documentation in compliance with the law, that the consumer authorized the switch, the LEC removes the long distance charge from the bill and charges it back to the slammer. Indeed, in accordance with Commission orders, this mechanism is already in place among LECs to determine whether the consumer or the carrier to which the consumer was switched should pay the switching fees. In the event that the consumer or the IXC still disputes a slamming complaint after the initial determination of the existence of a valid, lawful LOA, their dispute can be resolved in a variety of ways, such as through the Commission, local or state consumer protection agencies or prosecutions or through small claims court. The prime advantage of this mechanism, however, is that it reduces the kind of massive transfer of funds to a slammer in the short term that makes slamming so lucrative and widespread.

B. <u>Allowing the Slammer to Receive or Retain Any Portion of the Long Distance Charges Is Contrary to Long Established Equitable Principles</u>

"'Slamming' means the <u>unauthorized</u> conversion of a customer's interexchange carrier . . . ." Report and Order ¶ 1, n. 1 (emphasis added). It is a well established equitable principle that,

> "A person is not required to deal with another unless he so desires and, ordinarily, a person should not be required to become an obligor unless he so desires."

Restatement of Restitution § 2 (1937). From that principle is derived the equally well established rule:

> "A person who officiously confers a benefit upon another is not entitled to restitution."

Id.; *see*, *Stein v. Simpson*, 37 Cal.2d 79, 86, 230 P.2d 816 (1951); *Lauriedale Assoc., Ltd. v. Wilson*, 7 Cal.App. 4th 1439, 1449, 9 Cal. Rptr. 2d 774 (1992). "Officiousness means interference in the affairs of others not justified by the circumstances under which the interference takes place." *Id.* The Restatement explains that officious conferring of a benefit may enrich another, but not unjustly. *Id.* The effect of the rule is to penalize those who thrust benefits on others and to protect those who have benefits thrust on them. *Id.* These principles take on even greater weight if the person conferring the benefit is a wrongdoer. *See, e.g.*, Restatement of Restitution § 140; Palmer, Law of Restitution § 10.7 (1978) ("Clearly restitution will never be allowed if the only self-interest the plaintiff seeks to advance is to obtain the advantages of a contract without making one.").

Under these principles of equity, a consumer should not ordinarily be liable for any long distance charges incurred due to the unauthorized switch from the consumer's chosen long distance service. The Commission's proposed policy, in contrast, appears to require a party engaged in fraud to do no more than forego, some but not all, of the profits from the fraudulent conduct. Clearly, characterizing such an outcome as one which the "equities tend to favor," as the Commission has done, is incorrect, and tends to unjustly enrich entities engaged in fraud and deception at the expense of those entities which are not, in addition to the harm to aggrieved consumers.

C. Unsubstantiated Fear of Hordes of Consumer Scammers Is Inadequate Basis to Deviate from a Policy Based on Long Respected Equitable Principles and Practical Efficacy

The Attorneys General reject the argument, advanced by some commenters that a rule absolving consumers of liability would engender fraud by consumers who might claim wrongful conversion in order to avoid paying lawful and duly authorized charges to IXCs. The hypothetical possibility that a few consumers might defraud IXCs should not outweigh the documented fact that numerous IXCs have defrauded, and will continue to defraud hundreds of thousands of consumers. Moreover, we view it as unlikely that any great number of consumers will become sufficiently acquainted with FCC regulation to take the Byzantine step posed by the commenters.

Even if such a scenario did materialize, the Commission's existing orders and rules adequately protect the IXC. Although the Commission does not require IXCs to have signed LOAs in advance of switching a consumer's service, the Commission has made it abundantly clear that to prevail when there is a PIC dispute, the IXC ordinarily must produce a signed LOA. *See, e.g.*, 8 FCC Rcd 3215, ¶ ¶ 7, 9, 11 (1993) (PIC Verification Reconsideration Order); Report and Order p. 3, n. 12. The Commission has explained that the PIC Verification Order (which prescribed alternative procedures, any one of which an IXC must have undertaken before switching a consumer's IXC as the result of telemarketing) "does not alter previous decisions that the IXC is responsible for charges associated with disputed PIC changes for which it cannot produce LOAs." *Id.* ¶ 7; *see also* ¶ ¶ 9, 11. The Commission explained that the procedures adopted in the PIC Verification Order provided consumers additional protection against switching of a customer's long distance service without authorization, but were not intended as a substitute for written authorization in a PIC change dispute. *Id.* ¶ ¶ 9, 11-12. Under Commission rules, IXCs must retain the LOAs for at least 12 months. *Id.* ¶ 12. The Commission has noted that the requirement for IXCs to obtain and retain signed LOAs benefits carriers because these signed LOAs provide the carrier the"necessary evidence to resolve claims by customers that service was unauthorized." 2 FCC Rcd 1726 (1987) (Illinois CUB Order) ¶ 20, n. 35. Thus, IXCs are already protected, should massive consumer fraud become a problem.

D. Failure to Adopt an Effective Means of Redress and Deterrence Will Exacerbate Consumer Frustration and Anger and Undermine the Consumer Confidence Necessary for Fair Competition

In slamming, consumer injury is not limited to the inconvenience of returning to the chosen PIC and the difference in assessment between a slammer's rates and those of the chosen PIC. Consumers complaining to the Attorneys General express anger and frustration, out of proportion to the purely financial costs involved, at the underhanded nature of slamming. Consumers have apparently embraced competition and choice in the field of long distance service and have in some cases, carefully reviewed numerous long-distance calling plans so as to make an informed choice regarding the one most suitable to their needs and budget. Being slammed by an IXC which has made no real effort to obtain the consumer's patronage through appealing to the consumers market-oriented considerations of price, quality, service and other factors, causes consumers to become extraordinarily angry. Additionally, consumers report numerous consequential injuries from being slammed, including being without any long distance service for some period of time, being unable to use calling cards issued by their carrier of choice and thereby being unable to place long distance calls when far from home or in emergency situations, poor customer service, being subjected to inappropriate or unlawful collection practices and other similar concerns. The Attorneys General note that the widespread practice of slamming is undermining consumer confidence in the telecommunications system, and the government's ability to protect the public, as well as chilling the climate for smaller companies to attract customers.

The Commission is not dealing with a few isolated instances of mistaken switches of consumers from their carrier of choice. See NPRM ¶ 1 and n. 1 (FCC receives thousands of complaints annually, tens of thousands of complaints received annually by LECs and state regulatory bodies; "7000 to 10,500 complaints per month received by Pacific Bell and Nevada

Bell alone"); Attachments (300,000 consumers switched by one small IXC in a few months). To be effective, the Commission's policy must address this wholesale abuse of the system.

For the reasons stated, the consumer liability policy supported by the Commission in its Report and Order is inequitable, unworkable, and does not deter slamming. The Attorneys General submit that the general policy of the FCC in addressing complaints it receives should be that the consumer has no liability for long distance service officiously provided the slammed consumer. The policy we propose would still allow the FCC to consider the circumstances that may in a particular case support a different result. For example, the Commission might treat differently a case in which the evidence demonstrated fraud perpetrated by a consumer, or an isolated complaint about slamming and the IXC's good faith but mistaken belief that the adult in the household who authorized the switch, via a signed LOA that complied with the FCC requirements, had the authority to do so. The Attorneys General stress, however, that any policy on consumer liability for unauthorized switching of long distance service must, to serve its important deterrent function, deny the slamming IXC <u>any</u> benefit from its wrongful conduct.

III. <u>SEPARABLE LOAs</u>

Under section 64.1150(b), an LOA and an inducement may be combined into one document so long as the LOA is severable from the inducement portion (for example, by a perforated line) and the LOA contains only authorizing language. By allowing the two forms to be combined into one document, the LOA Rule, we believe, does not address the fundamental problem created by IXCs use of prize contests, charitable solicitations and other inducements. Unscrupulous IXCs and their marketing agents literally can overwhelm the required disclosures contained in the LOA (no matter how readable or legible they may be) by using large, prominently displayed language in the inducement portion to make false or misleading statements. The inevitable result will be that consumers will continue to be tricked or deceived into changing their long distance carriers. Based upon their past track record, there is no reason to doubt that unscrupulous IXCs and their marketing agents will not exploit the situation in this manner.

There has been no showing of any burden, much less a substantial burden, if IXC's must provide promotional material on a separate piece of paper from the LOA, rather than connected to it by a perforated line.

In its NPRM filed in this docket, the Commission expressly recognized the inherent potential for consumer confusion whenever these two forms are combined into a single document. Unfortunately, we do not believe that the LOA Rule's solution for this problem will be effective. Therefore, we urge the Commission to require that an LOA be a separate, distinct form with no inducement language attached to it.

IV. COMBINED CHECK/LOAs

The Commission discussed the deception that arises when LOAs are combined with promotional material, and determined to require at least the appearance of a separation between the two. Report and Order ¶ ¶ 13-24. Nevertheless, the LOA Rule permits the most blatantly deceptive combination, that of an LOA with a check. When the payee endorses the check, he purportedly also signs an LOA. This was the very technique SCI recently used to defraud consumers of millions of dollars, thereby also stealing both millions of dollars and customers from legitimate carriers.

In part, the Commission relies on the comments of MCI and AT&T to demonstrate that such combinations can be done so as to be not misleading. Report and Order ¶ ¶ 25-26. MCI, however, did not support the use of combined check/LOAs. In fact, MCI urged the Commission to adopt rules "directed at specific deceptive business practices, such as those involving . . . LOAs in the form of . . . endorsements of checks or other negotiable instruments." MCI Comments p. 8; see also MCI Reply Comments pp. 1-2.

The Commission postulates that the deceptive quality of combined check/LOAs can be eliminated by (a) prohibiting promotional language on the checks (the Attorneys General are unaware of check/LOAs that rely on promotional language on the check; the inducement of a check itself is the deception.); (b) requiring that the LOA language be "near" the signature line on the back of the check, and (c) requiring "in easily readable, bold-face type on the front of the check, a notice that the consumer is authorizing a PIC change." Report and Order ¶ 26.

The LOA Rule would require are far fewer safeguards than those included in the sample AT&T supplied with its comments. The promotional material AT&T supplied with the check is written in large bold face type and contains four references to the purpose of the solicitation being to switch to AT&T, including, the statement, "Just cash this real $25 check to switch to AT&T." AT&T also represents that on the back of its combined check/LOA, "immediately above the endorsement line" appears the statement, "Yes, switch me to AT&T Dial-1 Long Distance Service." AT&T Comments p. 13.

Absent a requirement to have similar disclosures, there is no reason to believe the fly-by-night carriers' checks would provide them. The LOA Rule's attempt to address that reality does not factor in the "innumerable new schemes which the fertility of man's invention could contrive": How small can the disclosure on the front of the check be and still arguably be "bold-face type."? Where can it be placed so that it is least noticeable? What else can be emphasized to draw attention away from that notice? What if, in the words of the Report and Order, the bold face notice refers to PICs: "Here's your PIC check for $25.00. This check authorizes a PIC change. Be sure to sign on the back for your PIC change $25.00." Would that satisfy the requirement? Would consumers know what a PIC is or realize what might happen if they sign? Certainly scheming minds can figure out dozens of more ways to use a combined check/LOA to thwart the FCC's goal.

Under the law, checks are ordinarily negotiable instruments. That means that they are payable on demand, without conditions. One does not expect to be signing a binding contract by cashing a check. Nowadays, consumers receive a variety of small checks and coupons for rebates on purchases which could easily be confused with an unidentified check that arrives in the mail. While it may be possible to create a combined check/LOA that is not misleading, the Attorneys General believe that no regulations can be developed to ensure that all combined check/LOAs used by IXCs are not misleading.

Accordingly, the Attorneys General strongly urge the Commission to reconsider its decision to allow combined check/LOAs. If the Commission is determined to allow them, then the rules must be tightened. At a minimum, the LOA Rule should prescribe the size, location, boldness and content of a sentence to be placed immediately above the endorsement line so as to ensure that the person will understand that he will be changing his long distance telephone service if he endorses the check.

V. TRANSLATION

The Commission initially addressed the problem of the targeting of the growing non-English speaking market with bilingual and non-English inducements and LOAs. NPRM ¶ 40; Report and Order ¶ 18 (emphasis added). Slamming of non-English speakers is a much larger problem than among English speakers. AT&T Comments pp. 4-5 (up to 18 percent of non-English speaking customers who changed their PIC reported they did not authorize the change, compared to 7 percent among English speaking customers); Attachment *. Regrettably, the NPRM and the Report and Order appear to address only non-English LOAs, not the non-English inducements. A common problem with the non-English inducements is that required explanations, disclosures and LOAs are provided only in English. The following suggestions address these two areas where clarification is needed.

A. Letters Of Authorization

The Attorneys General support the FCC's decision to require any LOA that contains content in more than one language to set out in each language all of the content presented in another language (§ 64.1150(g); LOA Rule Narrative Par. 40). However, the LOA Rule should also require that if an LOA is provided in connection with any promotion, all or part of which is in a language other than English, the LOA must also be provided in that other language. Such a requirement would foreclose such abuses as the use of all-English LOAs in connection with a face to face or telemarketing promotional campaign conducted in a language other than English.

B. Promotional Materials

While the FCC correctly requires that LOAs provide full disclosure in any language used on an LOA, section 64.1150(g) is silent as to the use of more than one language in interexchange advertising and promotional materials. This oversight could lead to multi-lingual promotions in which the claims made to motivate consumers to choose an interexchange carrier would differ depending on what language is used. At best, such variants would cause confusion, which would not necessarily be corrected by equal disclosure on an LOA. By the time that consumers receive LOAs, they may not read them to find out whether advertising claims are actually reflected. Moreover, unless the FCC amends section 64.1150(g), an LOA used in connection with a multi-lingual promotional campaign might be entirely in English (see "Letters of Authorization" discussion immediately above). The Attorneys General believe that any promotion, in which any inducements to switch long distance service are in a language other than English, must contain a full explanation and make all disclosures in each language used.

VI. CORRECTION TO CONFORM NEGATIVE OPTION LANGUAGE

The Report and Order eliminated the use of negative option LOAs. Negative option LOAs are ones that "require consumers to take some action to avoid having their long distance service changed." NPRM ¶ 11. The Commission found that negative options "impose an unreasonable burden on consumers who do not wish to change their PICs." Report & Order ¶ 11. Accordingly, the Commission added section 64.1150(f) to eliminate the use of negative options.

To conform with that new provision, section 64.100(d) must be revised to eliminate the negative option aspect. Under section 64.1100(d) (7) and (8), if the consumer does not return the postcard, the consumer's long distance service will be automatically switched. The postcard would ordinarily be an LOA. Thus these portions of 64.1100(d) need to be revised to eliminate the automatic switching of a consumer, if the consumer does not return the postcard, and bring them into conformity with the new section 64.1150(f).

CONCLUSION

For the reasons set out above, the FCC should modify its Report and Order to change the FCC's policy approach to liability for unauthorized switches to eliminate, as a general rule, any liability for consumers if the switching IXC cannot document that the consumer authorized the switch in accordance with the law; to require that if an LOA is provided in connection with any promotion, all or part of which is in a language other than English, the LOA must also be provided in that other language; to require that any promotion, in which any inducements to switch long distance service are in a language other than English, must contain a full explanation and make all disclosures in each language used to make the inducements; to modify section 64.1100(d)(8) to eliminate the negative option in accordance with paragraph 11 of the Report and Order and section 64.1150(f); to require LOAs to be on a separate document from any promotional material, not just separated by a perforation; and to prohibit combined check/LOAs, unless additional safeguards are required.

Respectfully submitted,

RICHARD BLUMENTHAL
Attorney General
State of Connecticut
Chairperson
Telecommunications Subcommittee
Consumer Protection Committee
National Association of Attorneys General

Dated: August 11, 1995

The following Attorneys General join in these comments:

GRANT WOODS
Attorney General
State of Arizona

DANIEL E. LUNGREN
Attorney General
State of California

ROBERT A. BUTTERWORTH
Attorney General
State of Florida

ALAN G. LANCE
Attorney General
State of Idaho

JAMES E. RYAN
Attorney General
State of Illinois

PAMELA CARTER
Attorney General
State of Indiana

THOMAS J. MILLER
Attorney General
State of Iowa

CARLA J. STOVALL
Attorney General
State of Kansas

J. JOSEPH CURRAN, JR.
Attorney General
State of Maryland

FRANK J. KELLEY
Attorney General
State of Michigan

FRANKIE SUE DEL PAPA
Attorney General
State of Nevada

HUBERT H. HUMPHREY
Attorney General
State of Minnesota

MIKE MOORE
Attorney General
State of Mississippi

JEREMIAH W. (JAY) NIXON
Attorney General
State of Missouri

TOM UDALL
Attorney General
State of New Mexico

MICHAEL F. EASLEY
Attorney General
State of North Carolina

WALTER W. COHEN
Acting Attorney General
Commonwealth of Pennsylvania

JEFFREY B. PINE
Attorney General
State of Rhode Island

CHARLES W. BURSON
Attorney General
State of Tennessee

JEFFREY L. AMESTOY
Attorney General
State of Vermont

DARRELL V McGRAW, JR.
Attorney General
State of West Virginia

JAMES E. DOYLE
Attorney General
State of Wisconsin